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December 11, 2006

VIA ELECTRONIC FILING

Charles L. A. Terreni, Esq.
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

COPY

D. Decker

SA

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COMM-FILING

Re: Request for Approval of a Contract for the ownership and operation of gas facilities between South Carolina Electric & Gas Company ("SCE&G") and the United States Department of Defense Charleston Air Force Base ("CAFB").
Docket No. 2006-375-G

Dear Mr. Terreni:

This is to acknowledge that the South Carolina Office of Regulatory Staff ("ORS") has met with SCE&G representatives and reviewed the above referenced contract. ORS has no objections to the proposed ownership and operation of gas facilities between SCE&G and the CAFB.

This Contract was executed as a result of a Department of Defense initiative to privatize 7.3 miles of natural gas lines on the Air Force Base. ORS has been informed by SCE&G that approval of this contract will have no negative impacts on other customers.

Thank you for the opportunity to provide our comments in this matter.

Sincerely,

John Flitter/SA

John W. Flitter

JWF/bs

cc: Dan F. Arnett, Chief of Staff, SC ORS
Florence Belser, General Counsel, SC ORS
Nanette Edwards, Deputy General Counsel, SC ORS
Shannon Bowyer Hudson, Attorney, SC ORS
Catherine D. Taylor, Counsel, SCE&G